



Vitol Virgin Islands Corp.

c/o Vitol Inc.
2925 Richmond Ave, 11 Fl
Houston, Texas 77098

Phone: (713) 230-1000
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July 9, 2019

Via Overnight Courier and Email (Lawrence.Kupfer@viwapa.vi)

Virgin Islands Water and Power Authority
Attention: Lawrence Kupfer
171 Rem., Estate Altona
St. Thomas, VI 00802

Re: **Notice of Default** – Agreement for (1) The Construction, Ownership, Operation, Maintenance and Transfer of LPG Facilities, (2) LPG Supply and (3) Managing the Repower of Certain Combustion Turbine Units, by and between Virgin Islands Water and Power Authority and Vitol Virgin Islands Corp. dated July 25, 2013, as amended (the “Agreement”)

Dear Mr. Kupfer:

The Virgin Islands Water and Power Authority (“WAPA”) has failed to pay several outstanding invoices owed to Vitol Virgin Islands Corp. (“Vitol”) by the deadline established in Section 5.04 of the Agreement. As of the date of this letter, invoices totaling \$96,750,222.09 remain unpaid (excluding interest owed on overdue funds). In compliance with Section 15.04(e) of the Agreement, Vitol is notifying WAPA that an Event of Default will occur if WAPA does not deliver payment in full to Vitol of the above-listed amount within ten (10) Business Days of the date of this letter.

Further, as provided in Section 15.06(e) of the Agreement, Vitol will suspend performance of all obligations under the Agreement if WAPA has not delivered payment in full to Vitol of the above-listed amount by the deadline established in this letter.

Vitol is willing, however, to continue performing under the Agreement and not exercise its right to suspend performance if, within ten (10) business days of the date of this letter, WAPA pays Vitol \$20 million of its overdue debt and executes a side-letter agreement whereby WAPA agrees to (i) prepay for any propane delivered after the date of this letter until 100% of overdue funds and associated interest are paid to Vitol, (ii) pay all other ongoing expenses (e.g. infrastructure and O&M) on or before contractual deadlines, (iii) pay \$1.5 million per month, starting in August, to reduce outstanding balances (the “Arrears Payment”) for the remainder of 2019, and (iv) review the Arrears Payment in the first two weeks of January 2020, with a goal of increasing it to \$2.5 million per month.

EXHIBIT

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exhibitsticker.com

Vitol reserves all of its rights.

Sincerely,

VITOL VIRGIN ISLANDS CORP.

A handwritten signature in blue ink, appearing to be 'Max S. Bulk', with a long horizontal line extending to the right.

Max S. Bulk
Chief Operating Officer

cc: Miguel A. Loya
Ernest W. Kohnke